



U. S. Department of Housing and Urban Development
Office of Inspector General for Audit, Midwest
77 West Jackson Boulevard, Room 2646
Chicago, Illinois 60604-3507

AUDIT

RELATED MEMORANDUM

96-CH-201-1812

August 2, 1996

MEMORANDUM FOR: Steven C. Porath, Director of Public Housing, Wisconsin State Office

FROM: Dale L. Chouteau, District Inspector General for Audit, Midwest

SUBJECT: Youth Apprenticeship Program
Housing Authority of the City of Milwaukee-Grantee
Milwaukee Community Service Corps-Subgrantee

We completed a review of the Youth Apprenticeship Program administered by the Housing Authority of the City of Milwaukee and the Milwaukee Community Service Corps. The review resulted from a complaint from a Confidential Source to the Office of Inspector General. The objective of the review was to determine if the Housing Authority of Milwaukee and the Milwaukee Community Service Corps used the Youth Apprenticeship Program grant funds in compliance with grant requirements and applicable HUD regulations.

The Housing Authority's records for this program were located at 809 North Broadway, Milwaukee, Wisconsin and the Milwaukee Community Service Corps records related to this program were located at 1150 E. Brady, Milwaukee, Wisconsin.

Our review covered the period December 6, 1994 to April 30, 1996. We conducted the review at the Housing Authority of the City of Milwaukee and the Milwaukee Community Service Corps during May 1996.

We concluded that the Housing Authority did not fully comply with HUD requirements. The Housing Authority allowed the Milwaukee Community Service Corps to draw down grant funds in excess of immediate needs under the Youth Apprenticeship Program. The Housing Authority also allowed the Milwaukee Community Service Corps to commingle Youth Apprenticeship Program grant funds with other funds.

Subsequent to the issuance of our draft audit finding, the Authority implemented the draft finding recommendations and repaid HUD \$342,147 for excess Youth Apprenticeship Program funds received, plus \$2,318.20 in interest earned on the funds. Also, the Milwaukee Community Services Corp established a separate checking account to be used exclusively for the Youth Apprenticeship Program. Therefore, no recommendations are offered and this matter is considered closed.

If you have any questions, please contact me at (312) 353-7832 or Alan Samuelson, Assistant District Inspector General for Audit at (312) 353-7851.

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